(b) if so, whether with a view to meet this shortfall, Government propose to transport the entire 11,000 MT of iron ore per day, sourced indigenously or overseas, through sea route as this mode of transportation is comparatively cheaper and eliminates pollution and traffic congestion caused by frequent movement of heavy trucks and overcomes limitation of single railway lines in the area;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) The daily requirement of Iron Ore Fines of KIOCL for production of Pellets is about 10,000 metric tonnes. In the month of February, 2006, KIOCL received about 3,380 metric tonnes per day through NMDC from Bellary region.

(b) to (d) Procurement, transportation of iron ore is a commercial issue of the Company. Government does not interfere in it. However, KIOCL finds the cost of bringing iron ore from overseas suppliers as uneconomical due to high international prices and sea freight. Suitable indigenous sources are mines in Jharkhand and Orissa. The raw material has to be moved by rail to eastern coastal sea ports and, then transported by sea route to New Mangalore Port. This is also uneconomical compared to sourcing of iron ore from Bellary Hospet region by rail.

Movement of Iron Ore through Railway from Bellary Hospet region reduces pollution and road traffic congestion. For pollution control, KIOCL has put up water sprinklers at railway siding at Mangalore and the stockyards. It has also erected screens (HDPE Net) at railway siding for this purpose.

Mining operations of Kudremukh Iron Ore Company Ltd.

2551. SHRI JANARDHANA POOJARY: Will the Minister of STEEL be pleased to state:

(a) whether in compliance with the orders of the Hon'ble Supreme Court of India mining operations in Kudremukh, Karnataka by Kudremukh Iron Ore Company Ltd. (KIOCL) have been stopped since 1st January, 2006;

(b) if so, whether Government propose to appeal the Court to review its orders considering the KIOCL has addressed all concerns from environmental point of view and enormous investment in and huge forex return from KIOCL, as also the fate of thousands of families connected with it directly and indirectly;

(c) if so, the details in this regard; and

(d) if not, the alternate plans made for KIOCL and its employees?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) Yes, Sir.

(b) KIOCL has already filed a Petition for Direction *i.e.* IA No. 1010 on 3.12.2003 in the Hon'ble Supreme Court.

(c) Following issues have been included in the Petition for Direction.—

(i) Permission for utilization of 54.01 hectares being the barest minimum unbroken area required for the purpose of safety reasons and for stability of mine at the time of closure of the mine.

(ii) Permission to mine primary ore for twenty years.

(iii) To permit to adjust Rs. 3 crores already paid to Government of Karnataka against Rs. 15 crores demanded by Central Empowered Committee (CEC).

(iv) Appointment of experts on the subject to look into mining/ environmental issues instead of CEC as CEC did not have any expert in the field of mining.

On 30.1.2004, Hon'ble Supreme Court directed that the matter be examined by CEC and a report submitted. CEC did not agree to the prayers of KIOCL in its recommendation dated 8.4.2004. KIOCL filed a rejoinder indicating bias on the part of CEC. On 2.8.2004, Hon'ble Supreme Court referred the application to be placed before a Monitoring Committee to be constituted by the Ministry of Environment and Forests.

The Monitoring Committee has , 3d its report with the Supreme Court on 18.5.2005 and recommended mining of ore in the 54.01 hectares for safety and slope stability.

On 30.9.2005, the Supreme Court reiterated its Order for closure of mining activity at Kudremukh with effect from 1.1.2006 and directed to list the cases in January, 2006.

On 20.1.2006, the Supreme Court directed CEC to finalize an Expert Body on the issue of slope stability. NT, Delhi has now been appointed as an Expert Body to examine the safety and slope stability issues.

No final judgement on the Petition for Direction has been delivered by the Supreme Court.

(d) As an immediate measure, KIOCL has entered into a long term agreement with NMDC for supply of Iron Ore Fines to run the Pellet Plant at Mangalore. Since NMDC may not be in a position to meet the full requirement of KIOCL to maintain the production capacity of the Pellet Plant, KIOCL is also trying to locate alternate sources of Iron Ore for the Pellet Plant.

As a long term measure, the following steps have been envisaged by KIOCL:—

(i) Obtaining mining lease for exploitation of Ramanadurg Iron Ore deposits in Bellary-Hospet are to which the State Cabinet has given its in principle approval for granting 50% of mining lease. However, this is *sub-judice* as various parties have moved High Court of Karnataka. Hearing is over and the judgement is reserved by the Hon'ble Court.

(ii) An MoU has been signed between SAIL and KIOCL for mining of ore in the State of Orissa in Barsua, Taldih and Kalta mines.

(iii) For procuring Iron Ore from outside and its processessing, various infrastructure facilities such as, permanent railway siding facility, bulk material handling system, installation of ball mills, have been developed.

(iv) KIOCL has not retrenched any employee in Kudremukh mine and the workforce is being used for regular maintenance work. As and when, the new mine become operational, the workforce will be shifted there.